

## **REMARKS**

### **Status of the Claims**

Currently Amended – Claim 27 and 29

Previously Presented – Claim 31

Withdrawn – Claims 21-26, 28, 30, and 32-50

### **Claim Rejections Under 35 U.S.C. §103(a)**

Claims 27, 29, and 31 are rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Kemp, "Discover Debuts Its First Platinum Card," DM News, 1999 in view of Longfield (U.S. Patent No. 5,724,523.) Applicant has amended independent claim 27 to indicate that a sponsor of a spending vehicle provides the spending vehicle in exchange for an assignment of the right to receive at least a portion of a payment from the individual. Applicant's invention allows businesses to provide individuals with incentives to shop at their businesses by allowing them to use spending vehicles at their places of business in exchange for the right to receive a portion or all of a payment from a governmental entity. Applicant's invention drives individuals to a particular business and therefore, provides benefits to businesses as well as individuals who are entitled to receive the payments. In view of Applicant's amended claims, Applicant respectfully traverses the rejections.

Kemp teaches a plurality of cardmember rewards that are offered to holders of a Discover Platinum Card. The rewards are issued by Discover Financial Services to its customers. The rewards are based on the cardmembers annual purchase totals.

Cardmembers are given the option of selecting the type of reward they would like to receive from Discover Financial Services. Options include a check for a percentage of the cardmember's annual purchases or a certificate from a merchant that has partnered with Discover Financial Services. The cardmembers do not enter into any type of agreement or arrangement with any of the merchant partners nor do the merchant partners agree to accept any payment right from an individual. Discover Financial Services is the sole issuer of the reward payment (i.e., check for a percentage of the cardmember's annual purchases) or the certificate from another merchant. Kemp does not teach providing a spending vehicle to an individual based on a payment right assigned to the third party spending vehicle sponsor.

Longfield teaches a system for processing a loan application in conjunction with filing an electronic tax return so that an electronic deposit/loan account is created for the tax filer. According to Longfield, the deposit/loan account secures a loan or a credit card. In either case, the tax refund is pledged against the performance of the obligation of a loan/line of credit. With respect to the operation of the secured credit card described in Longfield, he states, "IRS approval of the tax refund also triggers creation of a Certificate of Deposit at a bank. ... This Certificate guarantees payment to the credit card issuer should the credit card user fail to pay off his charges when due and payable." (See Longfield at Col. 6; ll. 37-46.) Longfield, as suggested in the title of the patent "Electronic Income Tax Refund System Utilizing the Tax Refund to Underwrite Issuance of a Secured Credit Card, therefore teaches use of a tax refund to secure a credit card. Longfield does not teach providing a spending vehicle to an individual based on a payment right assigned to the third party spending vehicle sponsor.

It is the Examiner's position that Kemp teaches Applicant's invention except for assignment of a payment from a government entity. The Examiner believes that Longfield teaches using a tax refund and that a tax refund is a type of payment that could be used in Kemp. However, Kemp does not teach accepting any type of payment from a third party and does not teach assigning cardmember reward payments to third parties. In Kemp, the "payments" are nothing more than a type of reward that is issued by Discover Financial Services. Neither Discover Financial Services, nor any of its partner merchants, accept payments of any kind from an individual and therefore, are not third party spending vehicle providers that accept an assignment of a payment from an individual. Longfield teaches only credit cards that are secured by a CD that may have been purchased by a taxpayer using a tax refund. Applicant respectfully submits therefore, that Longfield, when combined with Kemp, does not teach sponsors that provide spending vehicles to individuals in exchange for the right to receive a portion of a payment from a governmental entity. Applicant respectfully submits that amended claim 27 patentably defines the present invention by indicating that a sponsor of a spending vehicle provides the spending vehicle in exchange for an assignment of the right to receive at least a portion of a payment from the individual. In light of the foregoing remarks, the Applicant respectfully submits that the present application is now in condition for allowance, and such action is earnestly requested.

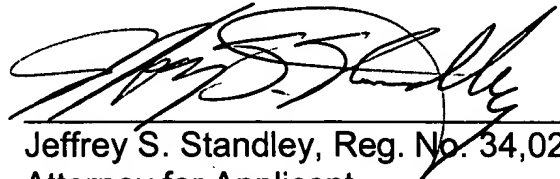
Enclosed with this response is an Applicant Initiated Interview Request Form (PTOL-413A) for Applicant's interview scheduled with the Examiner for October 6, 2004 at 11:00 to discuss the present application.

Respectfully submitted,

Date:

9/29/04

By:



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